

Board Meeting 12 May 2022

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD AT ARMAGH PLANETARIUM ON THURSDAY 12 MAY 2022

Participating:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Mr John West
- Ms Patricia Corbett (by remote call)
- Mr Colin Neill
- Mr Terry McCartney
- Mr Geoff Wilson
- Ms Sarah Jayne Smith, Boardroom Apprentice
- Mr John McGrillen, Chief Executive
- Mr David Roberts, Director of Strategic Development
- Ms Dot Erskine, Director of Strategy and Planning
- Ms Carolyn Boyd, Industry Development Manager (item 2 (iii))
- Mr Jim Daly, Executive Support Team

Apologies: Ms Michele Shirlow

1. Introduction / Standing Items

The Chairman welcomed participants and prefaced the meeting with a reminder that minutes of the meeting will be published.

Participants were asked if they wished to declare interests in relation to agenda items. Geoff Wilson referred to the events update given as part of the update on the Finance & Casework Committee, but the Board agreed that it was not necessary for him to withdraw from the meeting.

The Chairman invited comments on the previous evening's dinner with tourism stakeholders from the Armagh, Banbridge and Craigavon council area. Members remarked that while there was no clear consensus on how to better promote the borough and no single anchor attraction to draw visitors into the area, there are many good quality experiences that could benefit from the clustering approach used elsewhere to great effect; additional private sector investment is also needed for impactful development. It was also suggested that events might act as a draw and greater use could be made of The Mall as a space for this purpose. The Board felt too that more could be done to promote the city's rich ecclesiastical heritage and discussed building on the

recent City of Culture bid, as well as the potential for new corridors into the area. The Chairman undertook to feed the Board's comments back to the Council.

1 (i) Minutes of Previous Board Meeting

Minutes of the Board Meeting held on 10th March 2022 were approved as an accurate record, subject to a minor correction.

1 (ii) Matters Arising – Actions from Previous Meeting

The Board noted the status of actions agreed at its last meeting and updates were given on a number of actions as follows:

Tourism Order – the Board was advised of proposals by the Department for Economy (DfE) to undertake revisions to the Tourism (NI) Order 1992, reflecting new categories of accommodation that are becoming increasingly prevalent in response to consumer demand. It was emphasised that these revisions will represent only a short-term solution as there is a need for resource to be put in place to carry out a more comprehensive review of the Order. Advice is also awaited on how legislative amendments can be progressed in the ongoing absence of the NI Executive.

Major Events – an update was given on discussions with DfE on the approach to be taken in bidding for and delivering major forthcoming events, with the Department looking at establishing a small unit to deal with specific bids.

Organisational Restructuring – the Board received a report on recent discussions with the Department. As a result of new emerging resource pressures the previous business case produced for senior recruitment may require further revision. The Chief Executive advised that he would report on other recent discussions with the Department at the close of the meeting.

2. Items for Discussion

2 (i) Tourism NI Budget Allocation 2022-23

The Board was presented with a paper setting out proposals for the coming year's budget allocation. Tourism NI's original expectation was that it would receive an allocation equal to 95% of its flatline 2019-20 budget, which would require management to find savings of around £927k. A paper was presented to the Finance and Casework Committee on 6 May setting out proposals on that basis; however in the last few days the Department had advised that Tourism NI would receive the equivalent of its full flatline 2019-20 budget, requiring a revised paper to be produced.

It was noted that even with the full flatline budget the operational picture for the coming year will be challenging, given that the marketing budget will be 70% lower than that available for the previous year. This is despite a clear need to maintain impetus towards recovery. Discussing resource likely to be needed to implement the proposed new organisational structure, the Board was advised that much work had already been done in preparation for making appointments. It was noted that there were some other areas of activity where there might be opportunities to reduce expenditure due to pent-up demand, an example being golf travel and collaboration with Tourism Ireland on international platforms would help to make savings in other areas.

Members were also advised that as yet, there was no indication of what any capital allocation might be and discussed the continuing difficulty of trying to manage funding schemes within very tight twelve month timelines, as opposed to multi-year programmes which permit a more strategic approach. It was noted that further Economic Recovery Action Plan resource will not be forthcoming, despite the industry remaining largely in a recovery phase. In addition, there will be no June monitoring round this year which might otherwise provide additional resource. The Board suggested there was merit in identifying 'reserve' projects that were not previously successful in attracting support but still have potential to deliver, that might be supportable should further resource be forthcoming.

The Board granted approval for the draft budget allocation to be submitted to the Department.

2 (ii) Tourism NI Draft Operating Plan 2022-23

The Board was presented with a draft Operating Plan for Tourism NI for 2022-23. Members were advised that the Senior Management Team had developed the Plan in a way that does not over-commit given the current pressures on staff resources, with an eye on timelines and deliverability. The Board discussed the ability to recruit and retain staff resource to fulfil key objectives such as digital transformation, noting the challenges presented by workforce preferences and working patterns post-pandemic and a private sector that can offer better salary inducements, the latter issue being an area where Tourism NI has experienced particular issues in recruiting staff.

The Board also discussed the metrics such as the marketing targets set out in the plan. These were felt by Tourism NI to be realistic and reflective of the reduction in marketing resource since last year. Additionally the Board was advised that the management team had felt strongly that assigning further budget to marketing activity in the current year would reduce the levels of support in other areas which were already quite basic in nature but nonetheless important to the industry.

Overall the Board commended the plan and Members were content to approve it, subject to review of a number objectives to make the targets more SMART (**ACTION: JMcG**).

2 (iii) Skills Campaign

Tourism NI's Industry Development Manager Carolyn Boyd joined the meeting to deliver a presentation that outlined activity undertaken in the recent skills and recruitment campaign. Its purpose was to promote awareness of opportunities and career progression within the sector. The campaign's key audiences had been new recruits and people with the right skills who could be attracted back to the sector. The presentation set out the campaign's objectives and its strategic and creative focus, in particular trying to address preconceptions about careers within the industry. PR activity and the creative execution were outlined with examples of the adverts in situ and on social media. The campaign achieved PR value of more than £26k. Engagement with jobseekers had included more than 69,000 views of the campaign's jobsearch page, 24,000 users of the campaign's jobs and career portal, and 4,700 opens of job opportunities where users had clicked on the 'apply' button.

The Board was advised of the proposals for further quantitative and qualitative research to evaluate the campaign's impact. Anecdotal feedback from the industry indicated that the campaign had resulted in positive action and it was noted that HATS members had expressed a

desire to establish some task and finish groups to drive actions arising from the findings. Members discussed issues such as the continuing need to address preconceptions, understanding the wants and needs of a post-Covid workforce, matching the right jobs with the right people and options for attracting retirees back to work. It was also felt that further work was needed to help businesses better understand the needs of employers and prospective employees and how these can be brought together to best effect. Members also commented that attention needs to be paid to how the regenerative / sustainable approach can make tourism jobs more appealing to purpose-driven younger people. The Board also felt that the problem is not so much recruitment as retention and incentives to remaining in tourism jobs, and commented that the industry must become more adept at communicating these messages in a tactical way. Members also discussed how the extent of vacancies across the industry can best be evaluated and the measures of success going forward.

The Board thanked Carolyn for the presentation and asked that an update on the research should be given when available and an indication of how further progress is to be tracked (**ACTION: DR**).

Ahead of the next item John West declared an interest as a member of the Board of the Department for Communities, but the Board agreed it was not necessary for him to withdraw.

2 (iii) Armagh Planetarium Presentation

The Board was joined by senior staff from the Planetarium for a presentation that set out recent work to refresh and enhance the facility, its work as a visitor attraction as well as an educational and scientific facility, and its links with other scientific and heritage attractions across the island of Ireland. Discussion focussed on how the Planetarium might partner with other visitor amenities, attractions and accommodation facilities to help package its product and the Board was pleased to note that the Planetarium features in Tourism NI's current summer campaign adverts.

The Board was advised of a number of proposals for partnerships and initiatives to raise the Planetarium's and to extend its working life. It was suggested that the Shared Island Fund might present opportunities in this regard and the Board discussed options for linkages with other attractions such as the Dark Sky Park and Our Place in Space.

The Board thanked the Planetarium representatives for the presentation.

3. Reports

3 (i) Chairman's Report

The Board noted the details of the Chairman's engagements in the period since the last Board Meeting.

3 (ii) Chief Executive's Report

The content of the report was noted and the Chief Executive gave updates on a number of issues.

Northern Ireland Affairs Committee (NIAC) - The Chief Executive reported on evidence he had given to NIAC in respect of the impact on tourism of the Nationality and Borders Bill – specifically, the requirement for visitors travelling to Northern Ireland via the ROI to register for electronic

travel authorisations. It was observed that this would create an additional deterrent for those considering trips to Northern Ireland as part of a visit to the island of Ireland. The UK Government had committed to continue to engage with tourism bodies as the situation evolves.

Research and Insights – the report included with the Board pack had highlighted that presently, recovery was ahead of expectations and indications from pre-bookings and bookings for summer are positive, driven largely by pent-up demand for holidays in the immediate aftermath of the pandemic. It was emphasised however that the full impacts of price rises and the emerging cost of living crisis have yet to be felt. In particular current room rates are unsustainable in terms of competitiveness. Increased demand was noted in part to be driven by the refugee crisis precipitated by the war in Ukraine. The expectation is that the journey back towards the industry's recovery will not be linear.

Meet the Buyer – the Board noted a report on the Workshop's impact. In light of the substantial bookings as a result of fam trips held ahead of the workshop, the Board indicated that it would be useful to have a presentation on the fam programme at a future meeting (**ACTION: NW**).

Reports were also given an update on a meeting with the Permanent Secretary of The Executive Office and on the very positive bookings for the NI Tourism Conference due to take place on 13 May.

3 (iii) Sub-Committee Reports

Reports were given by the sub-committee chairs as follows:

Audit & Risk Assurance Committee – The Committee met on 9 May. Its discussions touched on the impact on governance work of resource pressures within the Finance Team and highlighted measures put in place to address this, with further external support being procured to facilitate key areas of work. It was confirmed that these matters were reflected both in the Risk Register and the governance statement and indicative of a general shortage throughout the public sector of staff with relevant accounting experience. Specialist support is also being secured to resolve issues with the Dynamics system used by the Finance Team and the Committee was advised that this is likely to require a direct award contract, for which the Board's approval will be sought.

The Board was also advised of progress in completing certification of the 2020-21 Annual Report and Accounts, given pressures both on the finance team and on the NI Audit Office. Members were advised of a number of issues that potentially would result in a qualified opinion, including payments to Tourism Ireland and self-declaration by applicants to the recent bed and breakfast / guesthouse Covid support scheme. Further work is taking place to resolve these issues. The Board was advised that staff pressures on NIAO were also likely to affect the commencement of the audit of the annual accounts for 2021-22.

The Board was pleased to note the outcome of the Internal Audit Service's work programme for 2021-22, for which the draft report had given a satisfactory opinion. It was also noted that the Committee's independent member had stepped down, and a replacement candidate has been confirmed.

The Board was also advised of the substance of correspondence received from DfE on governance matters and approved a proposed response from the Chief Executive.

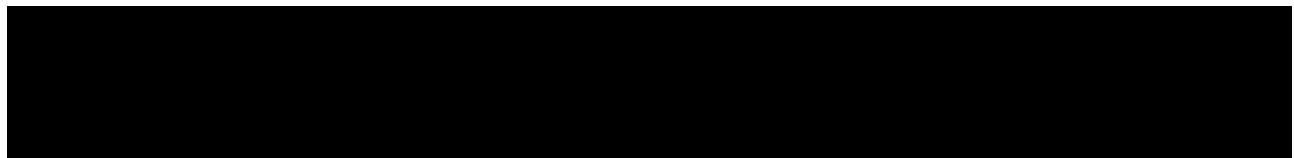
Finance and Casework Committee - The Board received reports on two meetings of the Committee held a few days apart, on 4 May and 6 May.

The Committee had been advised of a letter received from the DfE Permanent Secretary raising a number of issues including the end of year budget position on ERAP. The Committee was content that the underspend had been the result of last minute circumstances and that there was no remedial action which Tourism NI could have taken in the time left before the financial year end. As a result Members were happy to endorse the Chief Executive's response.

On 4 May the Committee considered a submission from Lisburn and Castlereagh City Council seeking funding under the Belfast City Region Deal, for its Destination Royal Hillsborough project. In considering the submission the Committee had agreed that further assurances and detail were required on governance and operating models, the projected bednights, access and ticketing and in particular, an underwrite by the Council of any deficit.

The Committee had also received a paper seeking its approval for proposed awards under Tourism NI's International Tourism Events Funding Programme, for four events: Derry Halloween, Antrim Coast Half Marathon, the Foyle Maritime Festival and the North West 200. In each instance the award was for support of £100k or more, requiring the Committee's approval. The Committee was content to recommend approval of these awards and noted awards of less than £100k each had been made to six other events. The Board endorsed the Committee's decision and approved the awards.

(The below paragraph is exempt from disclosure under Section 43 – Commercial Interests of the Freedom of Information Act 2000)



The Committee had met again on 6 May to review Tourism NI's proposed budget allocation and to receive an update on the budget outturn as at 31 March. This was ahead of Tourism NI receiving notification from DfE that it would receive the equivalent of the full 2019 baseline budget.

The Board noted comments in DfE's correspondence on the quality of casework submissions and associated business cases, and observed that these are subject to rigorous and lengthy scrutiny by the Committee. The Board noted that meetings had been repeatedly sought with the Permanent Secretary to discuss these and other issues and agreed that the Chairman and chairs of the Finance and Casework and Audit Committee should participate in the meeting when it takes place.

Marketing Sub-Committee – the Committee had not met in the period since the last Board Meeting.

4. Governance

4 (i) Quarter IV 2021-22 Reports – Operating Plan Performance Monitoring

The Board received a report setting out performance against Tourism NI's Operating Plan objectives at the year end. The Board reviewed the objectives that had not been met; it was noted that addressing the backlog of quality and standards inspections would require additional human resource and DfE had acknowledged this need, given Tourism NI's statutory role in this respect. It was again emphasised that the associated legislation also requires updating. The Board also suggested that the Operating Plan narrative should reflect the year-end budget position and asked the Chief Executive to consider how this could best be included (**ACTION**: JMcG). Commenting on the performance the Board commended Tourism NI staff for all that had been achieved within the context of ongoing Covid restrictions throughout the year and within the constraints of home-based working.

4 (ii) Quarter IV 2021-22 Reports – Risk Management

The Board was presented with a report on risk management during the final quarter of the year. The risk register has already been reviewed by the Audit and Risk Assurance Committee, and some minor amendments to narrative had been proposed. The Board noted the content of the update.

5. Papers for Noting

5 (i) Draft Agenda for June Board Meeting

The Board noted the proposed draft agenda for its next meeting. As this will represent the Chairman's last meeting it was proposed that it should be held in Belfast to permit the Board to join an all-staff event afterwards, before moving on to a farewell dinner.

Discussing future meeting agendas the Board suggested that it would be useful to have an overview of Tourism NI's digital programme (**ACTION**: DE), as well as a report on HR issues to cover matters such as recruitment, attendance and staff turnover / retention (**ACTION**: LF).

6. Any Other Business

6 (i) Belfast Lieutenancy

Patricia Corbett advised that the Lieutenancy is seeking engagement with tourism agencies to see how it might support tourism priorities. An event is planned for this purpose to be hosted at Titanic Belfast and it was agreed that when known, the date should be added to the diaries of the Chief Executive and Chairman (**ACTION**: JMcG).

6 (ii) DfE Relationship

The Chief Executive reported to the Board on the substance of correspondence received from the DfE Permanent Secretary in respect of the year end budget outturn and underspend on ERAP. It was again emphasised that the underspend was the result of a small number of major projects advising at a very late stage in the financial year that they were no longer able to complete delivery by 31 March. By contrast Tourism NI's core budget outturn had been within 0.3% of target.

It was emphasised that Tourism NI had for some considerable time been seeking engagement with the Department to secure resource to put in place an organisational structure that enables it to

better deliver on its priorities and objectives, including the demands of casework. Other recent discussions with the Department had involved Tourism NI's role in the planning and delivery of events and again, the resources needed to properly fulfil obligations in this area. In respect of the budgets it was emphasised that Tourism NI had not exceeded its budget tolerances in seven years, during which period the discussion of new organisational structures had been continuing.

Discussing the points raised in the Permanent Secretary's letter the Chairman and Board stressed their support for the Chief Executive. They remarked that in order to ensure robust systems of challenge, the Board had bolstered the membership both of the Audit & Risk Assurance and Finance & Casework Committees. The Board felt that this was further underlined by the time commitment that members had devoted to this work. The Board noted and approved the Chief Executive's proposed response to the Permanent Secretary's correspondence and asked that this be shared with the Board once issued (**ACTION**: JMcG). The Chief Executive thanked the Board for its support.

Returning to the issue of skills the Board suggested that it might be worth investigating how tourism bodies in GB are dealing with the issue. (**ACTION**: DR).

7. Date of Next Meeting

The next Board Meeting will be held on Thursday 23 June 2022.